



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
Second Regular Session

House: COM DP 7-3-0-0 | 3<sup>rd</sup> Read 45-14-1-0

Senate: COM DP 5-4-0-0 | 3<sup>rd</sup> Read 25-0-5-0

Final Pass: 44-5-11-0

## **HB 2275: condominium termination; unit owners; percentage**

**Sponsor: Representative Weninger, LD 17**

**Transmitted to the Governor**

### **Overview**

Allows a condominium created on or after the effective date to be terminated only by agreement of unit owners of units to which 95% of the votes in the association are allocated, with exceptions.

### **History**

A *condominium* is a real estate development, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate portions ([A.R.S. § 33-1202](#)).

Except in the case of taking all units by eminent domain, a condominium may be terminated only by an agreement of at least 80% of the unit owners in the association. If any real estate in a condominium is to be sold following termination, the termination agreement must establish the minimum terms of sale and the title to all real estate vests in the association. Proceeds of the sale must be distributed to the unit owners and lienholders in proportion to the respective interest of the unit owners.

Upon termination of a condominium, the interests of unit owners are the fair market values of their units, limited common elements, common element interests immediately before the termination, their pro rata share of any monies in the association's reserve fund and the operating account and five percent of the total amount of relocation costs for owner-occupied units. An independent appraiser selected by the association must determine the fair market value, but any unit owner may obtain a second independent appraisal at their own expense. If the unit owners' appraisal differs from the associations by five percent or less, the higher appraisal is final. If the appraisals differ by more than five percent the unit owner must submit to arbitration at the association's expense and the arbitration amount is the final sale amount ([A.R.S. § 33-1228](#)).

### **Provisions**

1. Permits a condominium created on or after the effective date to be terminated only by agreement of unit owners of units to which 95% of the votes in the association are allocated or by a larger percentage if specified in the declaration, except:
  - a) in the case of eminent domain; or
  - b) if the declaration specifies a smaller percentage, only if the units are restricted exclusively to nonresidential uses. (Sec. 2)
2. Repeals the section of Laws 2021, Chapter 405 relating to terminating a condominium. (Sec. 3)
3. Makes technical and conforming changes. (Sec. 1, 2)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note